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**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS**

BASIC FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED
JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

10/13/10

**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS
BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

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MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (225) 775-4912
mstages@butlercpa.brcoxmail.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

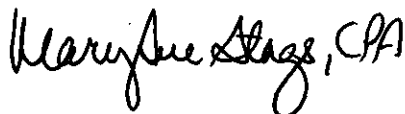
ACCOUNTANTS' COMPILATION REPORT

To the Board Members of the
Addictive Disorder Regulatory Authority
Louisiana Department of Health & Hospitals
628 North 4th Street
Baton Rouge, Louisiana 70802

We have compiled the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Addictive Disorder Regulatory Authority, a component unit of the State of Louisiana, as of and for the year ended June 30, 2010, as listed in the table of contents, which collectively comprise the Authority's basic financial statements in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management of the Addictive Disorder Regulatory Authority. We have not audited or reviewed the accompanying basic financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The budgetary comparison schedule is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have compiled the supplementary information from information that is the representation of management without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



Mary Sue Stages, CPA
A Professional Accounting Corporation
August 22, 2010

BASIC FINANCIAL STATEMENTS

**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS
STATEMENT OF NET ASSETS
JUNE 30, 2010**

	<u>Business-type Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 96,587.15
Non-Current Assets	
Investments	140,000.00
Capital assets, net of accumulated depreciation	<u>528.00</u>
Total Non-Current Assets	<u>140,528.00</u>
TOTAL ASSETS	<u><u>237,115.15</u></u>
LIABILITIES	
Current Liabilities	
Accrued salaries payable	4,370.00
Payroll withholdings and related payables	<u>2,677.00</u>
Total Current Liabilities/Total Liabilities	7,047.00
NET ASSETS	
Unrestricted	<u>230,068.15</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>237,115.15</u></u>

See Accountants' Report

**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2010**

	<u>Business-type Activities</u>
OPERATING REVENUES	
Licenses and other fees	\$ 101,294.26
Application fees	<u>11,256.95</u>
Total Operating Revenues	112,551.21
OPERATING EXPENSES	
Professional services	910.00
Meetings, conferences and travel	13,954.62
Salaries and related benefits	66,023.11
General and administrative expenses	<u>5,896.35</u>
Total Operating Expenses	<u>86,784.08</u>
Operating Income	25,767.13
NON-OPERATING REVENUES (EXPENSES)	
Copies/labels/exam materials	<u>3,910.95</u>
Change in Net Assets	29,678.08
Total Net Assets, beginning	<u>200,390.07</u>
Total Net Assets, ending	<u><u>230,068.15</u></u>

See Accountants' Report

**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010**

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 112,551.21
Cash paid to suppliers for goods and services	(20,760.97)
Cash paid to employees for services	<u>(60,616.22)</u>
Net Cash Provided by Operating Activities	31,174.02
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Proceeds from sales and other sources	<u>3,910.95</u>
Net Cash Provided by Non-Capital Financing Activities	3,910.95
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of long-term certificates of deposit	<u>(70,000.00)</u>
Net Cash Used for Investing Activities	<u>(70,000.00)</u>
Net Decrease in Cash and Cash Equivalents	(34,915.03)
Cash and Cash Equivalents, beginning of year	<u>131,502.18</u>
Cash and Cash Equivalents, end of year	<u><u>96,587.15</u></u>

Continued

**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2010**

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 25,767.13
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Increase (decrease) in liabilities	
Accrued salaries payable	2,879.07
Payroll withholdings and related payables	<u>2,527.82</u>
Net Cash Provided by Operating Activities	<u><u>31,174.02</u></u>

See Accountants' Report

SUPPLEMENTAL SCHEDULES AND INFORMATION

**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Licenses and other fees	\$ 115,900.00	\$ 115,900.00	\$ 101,294.26	\$ (14,605.74)
Application fees	12,000.00	12,000.00	11,256.95	(743.05)
Total Operating Revenues	127,900.00	127,900.00	112,551.21	(15,348.79)
OPERATING EXPENSES				
Professional services	4,000.00	4,000.00	910.00	3,090.00
Meetings, conferences and travel	12,700.00	12,700.00	13,954.62	(1,254.62)
Salaries and related benefits	76,900.00	76,900.00	66,023.11	10,876.89
General and administrative expenses	34,300.00	34,300.00	5,896.35	28,403.65
Total Operating Expenses	127,900.00	127,900.00	86,784.08	41,115.92
Operating Income	-	-	25,767.13	25,767.13
NON-OPERATING REVENUES (EXPENSES)				
Copies/labels/exam materials	-	-	3,910.95	3,910.95
Change in Net Assets	-	-	29,678.08	29,678.08
Fund Balances, beginning	200,390.07	200,390.07	200,390.07	-
Fund Balances, ending	200,390.07	200,390.07	230,068.15	29,678.08

See Accountants' Report

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**ADDICTIVE DISORDER REGULATORY AUTHORITY
LOUISIANA DEPARTMENT OF HEALTH & HOSPITALS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2010**

LOUISIANA'S COMPREHENSIVE ANNUAL FINANCIAL REPORT

As a component unit of the State of Louisiana, the financial statements of the Addictive Disorder Regulatory Authority are included in Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration. The amounts recorded have been subjected to the same review procedures as those recorded in the accompanying financial statements.

ADDICTIVE DISORDER REGULATORY AUTHORITY
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2010

C O N T E N T S

AFFIDAVIT

Statements

MD&A

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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2009

Addictive Disorder Regulatory Authority
628 N 4th Street
Baton Rouge, Louisiana 70802

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

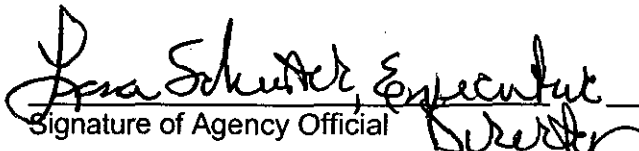
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Lisa Schuster, Executive Director of the Addictive Disorder Regulatory Authority who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Addictive Disorder Regulatory Authority at June 30, 2010 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 9th day of September, 2010.


Signature of Agency Official


NOTARY PUBLIC

GWYNNE B. TULLIER, NOTARY PUBLIC NO. 56850
MY COMMISSION EXPIRES WITH LIFE

Prepared by: Lisa Schuster

Title: Executive Director

Telephone No.: 225-342-8941

Date: August 31, 2010

Email Address: lmayeux@la-adra.org

STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
BALANCE SHEET
AS OF JUNE 30, 2010

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	96,587
Restricted Cash and Cash Equivalents		
Investments		
Derivative instrument		
Deferred outflow of resources		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		96,587

NONCURRENT ASSETS:

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		140,000
Notes receivable		
Capital assets, net of depreciation (Note D)		
Land and non-depreciable easements		
Buildings and improvements		
Machinery and equipment		528
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		140,528
Total assets	\$	237,115

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	7,047
Derivative instrument		
Deferred inflow of resources		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities: (Note K)		
Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		
Total current liabilities		7,047

NONCURRENT LIABILITIES: (Note K)

Contracts payable		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
OPEB payable		
Other long-term liabilities		
Total noncurrent liabilities		-
Total liabilities		7,047

NET ASSETS

Invested in capital assets, net of related debt		
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		230,068
Total net assets		230,068

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA ADDICTIVE DISORDER REGULATORY AUTHORITY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2010	Statement B
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OPERATING REVENUE	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	112,551
Other	_____
Total operating revenues	112,551
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	86,784
Depreciation	_____
Amortization	_____
Total operating expenses	86,784
Operating income(loss)	25,767
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	3,911
Other expense	_____
Total non-operating revenues(expenses)	3,911
Income(loss) before contributions, extraordinary items, & transfers	29,678
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	29,678
Total net assets – beginning	200,390
Total net assets – ending	\$ 230,068

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Statement C

See Appendix B for instructions

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Net (Expense) Revenue and Changes in Net Assets
Entity	\$ 86,784	\$ 112,551	\$	\$ 25,767
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				
Miscellaneous				3,911
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				3,911
Change in net assets				29,678
Net assets - beginning as restated				200,390
Net assets - ending				\$ 230,068

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

**Statement D
(continued)**

Cash flows from operating activities

Cash received from customers	\$ 112,551	
Cash payments to suppliers for goods and services	(20,761)	
Cash payments to employees for services	(60,616)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		31,174

Cash flows from non-capital financing activities

State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other	3,911	
Net cash provided(used) by non-capital financing activities		3,911

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		

Cash flows from investing activities

Purchases of investment securities	(70,000)	
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		(70,000)

Net increase(decrease) in cash and cash equivalents		(34,915)
Cash and cash equivalents at beginning of year		131,502
Cash and cash equivalents at end of year	\$	96,587

**STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010**

**Statement D
(concluded)**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ 25,767
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization		
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets		
Increase(decrease) in accounts payable and accruals	5,407	
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable		
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ 31,174

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	-

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

INTRODUCTION

The Addictive Disorder Regulatory Authority, hereinafter referred to as the Authority, was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3389. The following is a brief description of the operations of Authority and includes the parish/parishes in which the Authority is located:

The Authority, headquartered in Baton Rouge, is "...committed to ensuring that citizens of Louisiana receive the highest quality continuum of care through the credentialing and regulation of addiction professionals." It was created within the Department of Health and Hospitals and is governed by a board of directors made up of seven voting members and one non-voting member. All are appointed by the Governor, subject to Senate confirmation, and include recommendations from the Louisiana State Medical Society and the Louisiana Association of Substance Abuse Counselors and Trainers, Inc., For the few years prior to July 1, 2009, staffing responsibilities fell under the Department of Health and Hospitals. As of that date, the Authority resumed full responsibility.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Authority present information only as to the transactions of the programs of the Authority as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Authority are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Authority are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>86,784</u>
Amendments:	<u> </u> <u> </u> <u> </u>
Final approved budget	\$ <u><u>86,784</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Authority may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Authority may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2010, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 96,587	\$	\$	\$ 96,587
Deposits in bank accounts per bank	\$ 96,948	\$	\$	\$ 96,948
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
Notes to the Financial Statement
As of and for the year ended June 30, 2010

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One	Operating	\$ 96,948
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
Total		\$ 96,948

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ -0-
Petty cash	\$ -0-

2. INVESTMENTS

The Authority does maintain investment accounts as authorized by LSA-RS 33:2955.

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name.

All investments of the Authority are long-term certificates of deposit held in the name of the Authority at Neighbors Federal Credit Union. They are not exposed to custodial credit risk.

**STATE OF LOUISIANA
ADDICTIVE DISORDER REGULATORY AUTHORITY
Notes to the Financial Statement
As of and for the year ended June 30, 2010**

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ 140,000	\$ 140,000
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ -	\$ _____ -	\$ 140,000	\$ 140,000

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)

*** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

N/A

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D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

Capital assets not being depreciated								
Land	\$	\$	\$	\$	-	\$	\$	\$
Non-depreciable land improvements					-			-
Non-depreciable easements					-			-
Capitalized collections					-			-
Software Development in Progress					-			-
Construction in progress (CIP)					-			-
Total capital assets not being depreciated								
Other capital assets								
Machinery and equipment	528			528				528
Less accumulated depreciation				-				-
Total Machinery and equipment	528	-	-	528	-	-	-	528
Buildings and improvements				-				-
Less accumulated depreciation				-				-
Total buildings and improvements	-	-	-	-	-	-	-	-
Depreciable land improvements				-				-
Less accumulated depreciation				-				-
Total land improvements	-	-	-	-	-	-	-	-
Infrastructure				-				-
Less accumulated depreciation				-				-
Total infrastructure	-	-	-	-	-	-	-	-
Software (internally generated and purchased)				-				-
Other Intangibles				-				-
Less accumulated amortization - software				-				-
Less accumulated amortization - other intangibles				-				-
Total intangibles	-	-	-	-	-	-	-	-
Total other capital assets	528	-	-	528	-	-	-	528
Capital assets not being depreciated	-	-	-	-	-	-	-	-
Other capital assets, at cost	528	-	-	528	-	-	-	528
Total cost of capital assets	528	-	-	528	-	-	-	528
Less accumulated depreciation and amortization	-	-	-	-	-	-	-	-
Capital assets, net	\$ 528	\$ -	\$ -	\$ 528	\$ -	\$ -	\$ -	\$ 528

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets.

** Enter a negative number with the exception of accumulated depreciation in the retirement and prior period adjustment column.

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E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. LEAVE

1. COMPENSATED ABSENCES

The Authority has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. There is no liability for accrued payable compensatory leave at June 30, 2010.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Authority are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

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All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the Authority is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2010 was 18.5% of annual covered payroll. The Authority's contributions to the System for the years ending June 30, 2010, was \$8,585, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Authority has no obligation as of June 30, 2010.

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J. LEASES

1. OPERATING LEASES

N/A

K. LONG-TERM LIABILITIES

N/A

L. CONTINGENT LIABILITIES

N/A

M. RELATED PARTY TRANSACTIONS

N/A

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A

T. SHORT-TERM DEBT

N/A

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U. DISAGGREGATION OF RECEIVABLE BALANCES

N/A

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2010, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$	\$ 7,047	\$	\$	\$ 7,047
					-
Total payables	\$ -	\$ 7,047	\$ -	\$ -	\$ 7,047

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

N/A

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

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DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS

N/A

Name		Amount
Baas, Roy Franklin	\$ _____	0
Brown, Elsie J	_____	0
Hartzog, Jean L	_____	0
James, Kevin T	_____	0
Kudla, Michael	_____	0
Rose, Jr., William E	_____	0
Schoen, Paul M	_____	0
Thibodaux, Camye B	_____	0

Total	\$ _____	-

SCHEDULE 1

STATE OF LOUISIANA

ADDICTIVE DISORDER REGULATORY AUTHORITY

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$3 million, explain the reason for the change.

	<u>2010</u>	<u>2009</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 116,462	\$ 128,077	\$ (11,615)	\$ 9%
Expenses	87,784	27,197	60,587	>100%
2) Capital assets	528	528	-	
Long-term debt			-	
Net Assets	230,068	200,390	29,678	14%
Explanation for change:				

Expenses:

Prior to the year ended June 30, 2010, the Department of Health & Hospitals was responsible for staffing the Authority. As a result, there are no salaries or related benefits/expenses reflected in the prior year's expenses.